

Wellpath Solutions Inc.

P. O. Box 1518  
Carthage, TX 75633

# Invoice

Date	Invoice #
11/22/2010	1001

Bill To
HILCORP ENERGY COMPANY P. O. BOX 61229 HOUSTON, TX 77208-1229

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			11/22/2010			
Quantity	Item Code	Description			Price Each	Amount
	MWD	FIELD TICKET #110 MWD Services November 14 - 18, 2010  Well Name: Hagen ef 2 H Lease: Hagen Ranch Location: Gonzales County, Texas Rig: H & P #210  <div>1011694</div> <div>M Byrne</div>			47,275.00	47,275.00
					Total	\$47,275.00



**November, 22, 2010**

**FIELD TICKET**

# 110

Customer: **Hilcorp Energy Co.**  
Well Name: Hagen ef 2 H  
Lease: Hagen Ranch  
County: Gonzales  
State: Texas  
Country: USA.  
Rig: H & P # 210

**MWD Guidance Services:**

Call-out Tool Mobilization:	Nov. 14/10	@	\$3,500.00/each	\$ 3,500.00
Call-out Tool De-mobilization	Nov. 18/10	@	\$3,500.00/each	\$ 3,500.00
<b>Operational Days :</b>				
Nov.15/10 to Nov.18/10	5 day Min.	@	\$3,975.00/day	\$ 19,875.00
<b>Gamma Services:</b>				
Nov.15/10 to Nov.18/10	5 day Min.	@	\$1,000.00/day	\$ 5,000.00
<b>Additional MWD Operator:</b>				
Nov. 14/10 to Nov.18/10	5 days	@	\$ 750.00/day	\$ 3,750.00
Gamma Logs (1)		@	\$ 750.00/set	\$ 750.00
Operator Per Diem (2 men)	5 days	@	\$ 75.00/day	\$ 750.00
Tubular, x/over inspection	10 ends	@	\$ 275.00/each	\$ 2,750.00
Personnel Transportation	(2 men) (780m)	@	\$ 2.50/mile	\$ 1,950.00
Thread Protectors (10)	Lost	@	\$ 65.00/each	\$ 650.00
<b>MWD LIH Coverage</b>				
Nov. 15/10 to Nov. 18/10	4 days	@	\$ 600.00/day	\$ 2,400.00
MWD Batteries (2)		@	\$ 1,200.00/each	\$ 2,400.00

**Invoice Total: \$ 47,275.00**

**TERMS OF PAYMENT**

Payment of invoices shall be made in full within thirty (30) days of the date of invoice, in accordance with any payment instructions written on the invoice. All payments shall be made in US dollars. If an invoice is not paid in full within thirty (30) days of the date of invoice, interest at the maximum rate permitted by law shall run from the due date for payment until receipt by WellPath Solutions of the unpaid amount, weather or not after judgment. If unpaid amounts are collected through legal proceedings or by a collection agent, Customer shall, in addition pay WellPath Solutions collection cost and fees. Customer shall have no right to setoff or withholding against any amounts owing to WellPath Solutions as a result of other service orders or any other claim or dispute between WellPath Solutions and Customer.



**Hilcorp Energy Co.**

1201 Louisiana St.

Suite # 1400

Houston, Texas

77002-5650

Well Name: Hagen ef 2H

Lease: Hagen Ranch

County: Gonzales

State: Texas

Country: USA

Rig: H & P # 210

**November 14, 2010**

Day Rate Directional Package Includes:

\$6,775.00 Per Day

- Directional Driller (2)
- Positive Displacement down-hole Motors
- Monel Collars, Float Subs, Crossover Subs for primary BHA
- 5 day Minimum

Day Rate MWD Package Includes:

\$3,975.00 Per Day

- Mud Pulse System with Directional capability (2)  
One complete surface system and two Non-mag transmitter subs, MWD Engineers (1)
- 5 day minimum

Standby Price: ( W / Tools and Men )

\$4,650.00 Per Day

Day Rate Combined Directional Package:

\$10,750.00 Per Day

Day Rate Combined Directional Package W / Gamma:

\$ 12,500.00 Per Day

Rotary Steerable Package:

\$ 17,500.00 Per Day

Additional Service Price List

• Call-Out Mobilization / De-Mob.	Directional Services	\$6,000.00/each
• Call-Out Mobilization / De-Mob.	Guidance Services	\$3,500.00/each
• MWD Gamma Services including:		\$1,000.00 Per Day
2 Gamma probes, surface system with plotters and depth tracking		
• Gamma Logs and End of Well Reports		\$ 750.00 Per Well
• Additional MWD Engineer		\$ 750.00/Per Day
• Performance Motors		\$ 575.00 Per Day
• Transportation of Personnel		\$ 2.50 Per Mile
• Well Planning and Associated Plots		\$ 900.00 Per Well
• Motor Re-line Charge		\$6,950.00/Per Motor
• Motor Inspection charge (per motor)		\$1,500.00 Per Motor
• Transportation of Tools and Equipment		\$ Cost plus 15%
• Personnel Lodging, Water, and Sewer ( if not provided)		\$ 165.00 /Per day/Per Man
• Operators Per Diem		\$ 75.00/per day/Per Man
• Float Valves & Pipe Screens (sale Items)		\$ 795.00/each item
• Additional MD/TVD Logs		\$ 175.00/per set
• Additional CD - Rom or Color Logs		\$ 175.00/per set
• Shipping of additional logs (per address)		\$ 75.00/ per set
• Tubular, x-over subs, stabilization Inspection and repairs		\$ 275.00/per end
• MWD Batteries		\$1,200.00/each

Stator reline charges apply when run in Oil base Mud, Air Drilling or circulating temperatures over 270 ° F. Price quote is valid for 30 days from date submitted until tool mobilization. If beyond the 30 days ,the price quote maybe revised and re-submitted. Damage to equipment due to fishing operations/ corrosive materials or temperatures greater than 270° F circulating for standard temp or 340° for High Temp. tools will be charged back to the customer

# Downhole Motor Lost in Hole Coverage Waiver

Item	Tool Cost Without coverage	LIH Coverage Daily Charge	Tool Cost w/ Coverage
<u>Motor</u>			
3 3/8'-3 3/4" Standard Motor	\$ 62,590.00	\$405 / day	\$31,295.00
High Performance Motor	\$ 73,590.00	\$450 / day	\$36,795.00
4 3/4" Standard Motor	\$ 90,100.00	\$ 520/day	\$46,575.00
High Performance Motor	\$ 105,490.00	\$ 535/day	\$51,045.00
6 1/4" Standard Motor	\$112,690.00	\$ 575/day	\$57,820.00
High Performance Motor	\$123,050.00	\$ 625/day	\$64,420.00
6 3/4" Standard Motor	\$126,230.00	\$ 640/day	\$63,315.00
High Performance Motor	\$136,175.00	\$ 690/day	\$68,090.00
7 3/4"- 8" Standard Motor	\$140,380.00	\$ 695/day	\$70,045.00
High Performance Motor	\$151,450.00	\$ 745/day	\$75,725.00
9 5/8" Standard Motor	\$189,800	\$ 850/day	\$94,900.00
High Performance Motor	\$218,845	\$ 895/day	\$109,425.0

LIH Waiver Accepted      YES      NO

Client Representative \_\_\_\_\_

Signature \_\_\_\_\_

**\*\*If LIH Waiver is not returned with signature, the full price is applicable. LIH coverage applies after 2nd attempt to recover MWD electronics and normal attempts to recover tubular and downhole motors and equipment. No coverage is offered for any occurrences other than loss or abandonment below the rotary table. Coverage is subject to acceptance only before Motors/MWD equipment is lowered below the rotary table. LIH coverage is for first loss only! Any subsequent losses are at full price. LIH coverage is for MWD tools and Downhole Motors only, Monel Drill collars, subs, stabilizers etc. are not covered.**

# MWD Lost in Hole Coverage Waiver

Item	Tool Cost Without coverage	LIH Coverage Daily Charge	Tool Cost w/ Coverage
<u>MWD Tool Coverage</u>			
Directional Only	\$295,000	\$ 600/day	\$185,000
Directional w/ Gamma	\$397,000	\$ 750/day	\$228,500

<u>MWD Hot Hole Tool Coverage</u>	Additional Daily Charge	Additional Temperature Repair Charge over 330°F
• 300° F to 320° F	\$ 1,800.00/day	
• 320° F to 330° F	\$ 2,400.00/day	\$ 55,000.00
• 330° F to 346° F	\$ 2,700.00/day	
• 347° F + 1st Probe Exposure	\$ 2,800.00/day	\$ 55,000.00
• 347° F + 2nd Probe Exposure	\$ 2,800.00/day	\$145,000.00
• 347° F + 3rd Probe Exposure	\$ 2,800.00/day	\$280,000.00

LIH Waiver Accepted      YES      NO

Client Representative \_\_\_\_\_

Signature \_\_\_\_\_

**\*\*If LIH Waiver is not returned with signature, the full price is applicable. LIH coverage applies after 2nd attempt to recover MWD electronics and normal attempts to recover tubular and downhole motors and equipment. No coverage is offered for any occurrences other than loss or abandonment below the rotary table. Coverage is subject to acceptance only before Motors//MWD equipment is lowered below the rotary table. LIH coverage is for first loss only! Any subsequent losses are at full price. LIH coverage is for Mwd tools and downhole Motors only. Monel drill collars, subs ,stabilizers etc. are not covered.**

## General Terms and Conditions

### DEFINITIONS

- a) "Customer" means the person, firm, company or other entity to whom Equipment and/or Services are supplied or provided under these Terms and Conditions.
- b) "WellPath Solutions" means the WellPath Solutions entity which is providing the equipment and services and named in the bid, contract or invoice.
- c) "Representatives" means officers, directors, employees, other subcontractors, agents or invitees of (as the case may be) WellPath Solutions or Customer or the Customer Group.
- d) "Personnel" means officers, directors, employees, agents or invitees of (as the case may be) WellPath Solutions
- e) "Equipment" means equipment materials, supplies and products provided by WellPath Solutions to or for the benefit of Customers and/or used by WellPath Solutions in connections with services.
- f) "Services" means the service provided by WellPath Solutions (including the provision of Equipment) to or for the benefit of Customer. In this Agreement WellPath Solutions offers Services and / or Equipment requested by Customer under the following General Terms and Conditions.

### APPLICATION

These Terms and Conditions apply to all Services and Equipment and shall apply in place of and prevail over any terms or conditions contained or referred to in Customer's order, in correspondence or elsewhere or implied by trade, custom, practice or course of dealing, unless specifically agreed to in writing by and officer or other authorized representative of WellPath Solutions. Any purported

### ACCEPTANCE OF GENERAL TERMS AND CONDITIONS

WellPath Solutions prices are determined on the basis of the limited liability set out in these terms and Conditions and Customer's assumption of, and release and indemnification of WellPath Solutions from certain liabilities and responsibilities as set out in this agreement. Prior to acceptance by WellPath Solutions of Customer's order, customer may, by written notice to WellPath Solutions, request WellPath Solutions to amend some of the provisions of this Agreement. Any acceptance by WellPath Solutions or revised terms would be dependent on the availability of appropriately of appropriate insurance coverage and might necessitate WellPath Solutions charging higher prices commensurate with the added costs involved and the attendant risks and potential deterioration of WellPath Solutions loss experience to which WellPath Solutions would be exposed.

### WARRANTIES AND LIABILITIES

#### a) Interpretation

Any interpretation, research, analysis, recommendation or data furnished to Customer are opinions based upon inferences from measurements and empirical relationships and assumptions, which inferences and assumptions are not infallible, and with respect to which professional engineers and analysts may differ. Accordingly, WellPath Solutions cannot and does not warrant the accuracy, correctness or completeness of any such interpretation, recommendation or description; therefore, such interpretation, recommendations or description should not, under any circumstances be relied upon as the sole or main basis for any drilling, completion, well treatment, production of financial decision or any procedure involving any risk to the safety of any drilling venture, any drilling rig or its crew, or any other individual. Customer has full responsibility for all such decisions and for all decisions concerning other procedures relating to the drilling or production operation.

**b) Data Transmission and Storage**

WellPath Solutions does not warrant the accuracy of any log, test or other data transmitted by electronic process and will not be responsible for accidental or intentional interception, of or tampering with, such data by others, nor does WellPath Solutions guarantee the safe storage or the length of time of storage of any digital tapes, optical logs or prints, or other similar products or materials.

**c) General**

(i) WellPath Solutions does not guarantee results. All conditions, warranties or representation, either express or implied (by statute or otherwise), relating to the accuracy, merchantability, fitness for a particular purpose or otherwise in relation to the provision of Equipment or Services hereunder are disclaimed and excluded. WellPath Solutions has made no affirmation of fact or promise relating to the Service of Equipment that has become the basis of this Agreement. Further WellPath Solutions has made no affirmation of fact or promise relating to the Service or Equipment that has created or amounted to an express warranty that the Service of Equipment would conform to any such affirmation of promise, and WellPath Solutions disclaims any and all express warranties with respect to the same. The Services and Equipment are provided on an "as is" basis and WellPath Solutions disclaims any and all implied warranties with respect to the Services and Equipment.

(ii) Except as expressly provided in Article 5, the liability of WellPath Solutions, however arising from, or in connection with, this agreement (whether for breach of contract, negligence, misrepresentation or otherwise), shall not in any circumstances exceed the full values of the consideration paid or payable by Customer under this Agreement prior to the date upon which the cause of such action arose. Except as expressly provided in Article 5, WellPath Solutions shall not, in any circumstances, be liable for any consequential or indirect losses or loss of profits arising under, or in connection with, this Agreement.

**INDEMNITY**

**a) Personnel**

(i) WellPath Solutions agrees to Indemnify (as defined in Article 5.e) Customer on account of personal injury, illness or death of any Representative of WellPath Solutions arising under this agreement.

(ii) Customer agrees to Indemnify WellPath on account of personal injury, illness or death of any Representative of Customer or of the Customer Group arising under the Agreement.

**b) Property**

(i) Customer agrees to Indemnify WellPath Solutions on account of damage to, or loss of destruction of, any property of Customer, the Customer Group or its or their Representatives.

(ii) WellPath Solutions shall Indemnify Customer on account of damage to, or loss of destruction of, any property, or Equipment of WellPath Solutions, or its or their Representatives, in which event Customer's sole obligation shall be promptly to return such damage or lost Equipment or property if subsequently recovered, without inspecting or otherwise tampering with such Equipment or property.



(iii) Notwithstanding Article 5.b (ii) above, Customer shall Indemnify WellPath Solution for any property or Equipment of WellPath Solutions or its or their Representatives lost or damaged (i) in the hole or as a result of uncontrolled well conditions (ii) while in transit or being moved on any form of transportation owned or organized by Customer, (iii) while being used by any person other than an employee of Wellpath Solutions or its or their Representatives, whether in an emergency or otherwise; or (iv) expropriated, nationalized or otherwise lost, damaged or destroyed by force major. If any of the aforementioned events should occur, customer shall, at the option of WellPath Solution, (i) exert its best of efforts to recover such property of Equipment for WellPath Solutions at customer's sole risk and expense.

(ii) reimburse WellPath for the new landed replacement cost of such Equipment if destroyed or not recovered; and/or (iii) reimburse WellPath Solutions for the cost of repair of such Equipment in repairable.

**c) Specific Events**

Customer agrees to Indemnify WellPath Solutions on account of (i) pollution, contamination or radiation damage, including the costs of containment and cleanup; (ii) subsurface loss or damage, including the costs of containment and cleanup; (ii) subsurface loss or damage, including loss of, or damage to, any reservoir, production formation, well or in-hole equipment, or impairment of any property right to water, oil, gas or other mineral substance; or (iii) damage, loss or destruction to any, brothel or personal injury or death arising on the surface as a result of subsurface occurrence, including damage to, or loss of destruction of, any Equipment, drilling rig, platform or other fixed or floating structure at or around the well sit, expense for killing or bringing under control a wild well, and any fishing or reworking costs.

**d) Application**

The indemnity provisions contained in Article 5 shall not apply to claims or causes of action asserted against the indemnifying party solely by reason of any agreement of indemnity between the indemnified party and nay other person or entity.

**e) Interpretation**

Loss, liability, cost, claims, demands and expenses (including legal expenses) of any kind and character, without regard to the cause or causes thereof and whether or not involving negligence, strict liability or other party, its Group or its or their representatives, including, but not limited to, the sole, concurrent, active or passive negligence, or the un seaworthiness of any vessel, or the defect, failure or ruin of any Equipment or property.

**OBLIGATIONS AND RESPONSIBILITIES OF CUSTOMER**

**a) Well Conditions**

Customer, directly or indirectly having custody and control of the well or borehole, acknowledges that it has superior knowledge of the well or the borehole and conditions surrounding it, Customer accordingly agrees to provide WellPath Solutions with all necessary information to enable WellPath Solutions to perform Services safely and efficiently.

**b) Equipment**

**(i) Notification of Hazardous Conditions**

WellPath Solutions Equipment is designed to operate under specific environmental conditions. Equipment may be seriously damaged if operated in excess of specifications. Customers shall consult with WellPath Solutions in advance regarding downhole operating conditions to make sure that the Equipment specifications are not exceeded.

**(ii) Fishing**

Customer shall assume the entire responsibility for operations in which Customer or its Representatives attempt to fish for Equipment, but WellPath Solutions will not assume liability and if so requested by Customer, render assistance in the recovery of such equipment.

**c) Transportation and Storage**

Customer shall arrange and pay for the use and the repair of roadbeds and the use of vehicles, vessels, aircrafts or other special means of transportation for Equipment and/or WellPath Solutions Representatives, if needed to gain access to or from a wellsite. At the wellsite, Customer shall provide storage space, complying with all applicable safety requirements and consistent with good industry practice. In addition, Customer shall be responsible for the return, at its expense, of offshore or other stationary auxiliary units to the points of origin or other mutually agreed upon locations in the condition in which such units were delivered to Customer, ordinary wear and tear excepted.

**d) Accommodation and Messing**

Customer shall arrange and pay for accommodation and messing for WellPath Solution Specialists while standing by and during the performance of Services.

**e) Safety**

Customer shall, at its sole cost, ensure that adequate safety gear and apparatus, complying with all applicable laws and regulations, and clear safety instructions are available in sufficient numbers at all work sites. In the event of injury or illness, Customer shall ensure that WellPath Solutions Representatives receive proper medical attention, and shall arrange and pay for transportation of WellPath Solutions Representative to the nearest hospital.

**f) Licenses and Consents**

Customer shall be responsible, at its own expense, for all licenses or consents of any Government or other authority which shall be required for the purposes of this Agreement (which shall include, by way of example, the securing of all necessary permits and licenses for WellPath Solutions radioactive sources and other hazardous materials, if applicable) and Customer shall submit evidence of such licenses or consent to WellPath Solutions on demand. Any additional expenses or charges incurred by WellPath resulting from any failure on the part of Customer in this connection shall be Customer's account.

**g) Insurance**

Customer's indemnity and hold harmless obligations under this Agreement shall be supported at Customer's expense by appropriate liability insurance with a contractual indemnity endorsements and a waiver of subrogation in favor of WellPath Solutions Customer will, at its expense and upon WellPath Solutions request, furnish appropriate certification of insurance of WellPath Solutions stating that no insurance will be canceled or materially changed during the term of the Agreement without thirty (30) day's prior written notice to WellPath Solutions.

**PRICE LIST AND PAYMENT**

The prices payable for Equipment and Services shall be those contained in WellPath Solutions price list applicable to the are in which, and current at the date, the Equipment is supplied and/ or the services are provided. Prices are subjected to change with one (1) month's prior written notice. Unless otherwise specified, all taxes (other than income taxes), levies, charges and duties, including government and local authority charges or charges levied by similar bodies, shall be payable by Customer and shall be added to the price.

**TERMS OF PAYMENT**

Payment of invoices shall be made in full within thirty (30) days of the date of invoice, in accordance with any payment instructions written on the invoice. All payments shall be made in US dollars. If an invoice is not paid in full within thirty (30) days of the date of invoice, interest at the maximum rate permitted by law shall run from the due date for payment until receipt by WellPath Solutions of the unpaid amount, weather or not after judgment. If unpaid amounts are collected through legal proceedings or by a collection agent, Customer shall, in addition pay WellPath Solutions collection cost and fees. Customer shall have no right to setoff or withholding against any amounts owing to WellPath Solutions as a result of other service orders or any other claim or dispute between WellPath Solutions and Customer.

**CAPACITY OF PARTIES**

- a) WellPath Solutions acts solely as an independent contractor in providing Services and Equipment.
- b) Where Customer agrees to indemnify WellPath Solutions under this agreement, such indemnity shall, in addition to its application to WellPath Solutions and its and their Representatives, apply in favor of:
  - (i) any supplier, designer or manufacturer of any equipment and
  - (ii) the contractors and subcontractors of such persons.
- c) If Customer is not the sole owner of the well or borehole or the concession holder of the field or the sole owner of the test data in respect to which WellPath Solutions has been asked to provide Services, including any interpretation or any recommendation or description, but instead shares ownership with one or more third parties, Customer represent that it is the sole and duly appointed and authorized agent of each of such third parties with full power:
  - (i) to represent the interests of such third parties with respect to decision made concerning any Equipment and Services and
  - (ii) to deliver or otherwise make available to WellPath Solutions measurements, test results and other information relevant to this Agreement which may be property in whole or in part of such third parties. Customer agrees to indemnify WellPath Solutions on account of any deficiency or inaccuracy in the above representations.

#### CONFIDENTIALITY

Results obtained by WellPath Solutions are always held in strict confidence and will not, except as required by law or legal process, be disclosed by WellPath Solutions to any third party without authorized from Customer, as long as such results are not in the public domain.

#### FORCE MAJEURE

WellPath Solutions shall not be liable for any loss, damage or destruction which may be suffered by Customer or any Representative of Customer as a direct or indirect result of the provision of Service or the supply of Equipment by WellPath Solutions being prevented, hindered or delayed by reason of circumstances or events beyond WellPath Solutions reasonable control, including act of God, war, riot, trade dispute or labor distribution, accident, break-down of plant or machinery, fire, flood or adverse weather conditions. If performance is so prevented, hindered or delayed for more then ninety (90) days, either party may terminate this Agreement with immediate effect by giving written notice to the other. Force majeure shall not entitle Customer to avoid or delay making payments to WellPath Solutions for Services provided and Equipment supplied.

#### TERMINATION

- a) If Customer becomes insolvent, makes a general assignment for the benefit of its creditors, applies for or consents to the appointment of receiver, trustee or liquidation of all substantially all of its assets, has an involuntary petition in bankruptcy filed against it which is not dismissed within forty-five (45) days or fails to pay its debts and obligations as they become due or commits any breach of this or any other contract between WellPath Solutions and Customer reasonably apprehends that any of the above events is likely to occur, WellPath Solutions without prejudice to any of its other rights, terminate this Agreement with immediate effect by notice in writing to Customer.
- b) In the event of termination of this Agreement, however arising, Customer shall promptly return to to WellPath Solution all Equipment which is in Customer's possession or under its control.
- c) Any termination of this Agreement shall be without prejudice to the accrued rights of the parties on the date of such termination, and the continuation in force of all provisions of this Agreement

#### SEVERABILITY

Any provision or term of this Agreement which is or may be void or unenforceable shall, to the extent of such invalidity or unenforceability, be deemed severable and shall not affect any other provision of this Agreement.

#### WAIVER

Failure by WellPath Solutions to exercise or enforce any rights under this Agreement shall not be deemed to be waiver of any such rights nor operate so as to bar the exercise or enforcement of such rights at any later time of times.

#### ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties with respect to its subject matter and supersedes all prior agreements, negotiations and discussions between the parties in relation to its contents.

#### ASSIGNMENT

WellPath Solutions may assign, license or subcontract to the WellPath Solutions all or any part of its rights and obligations under this Agreement upon written notice to Customer. Customer may not assign or in any way dispose of its rights or obligations under this Agreement without the prior written consent of WellPath Solutions.

#### CONSTRUCTION

- a) All headings are for ease of reference only and shall not affect the construction of this Agreement. Reference to the singular shall include the plural, and vice versa.
- b) The inclusion in this Agreement of examples or illustrations are not intended in any way to limit or reduce the scope or operation of the provisions in which they appear and shall be without prejudice to the generality of the wording which accompanies such example or illustrations.

#### GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the state where the Service are performed or the Equipment furnished. However, when Services are performed or Equipment furnished offshore or otherwise on navigable waters, the Federal Maritime Laws shall govern.

### Job Specific Terms and Conditions.

1. Standby Rates commences on the arrival of tools and/or personnel at location and applies to any day when operating rate is not in effect until released from location by operator.
2. Operating day commences on day tools are lowered in the well below the rotary table or operator requests. The services of Wellpath Solutions LLC personnel and each day thereafter, unless tools and personnel are put on standby or released. Standby rate will not apply when tools are in the hole unless agreed upon in writing by Wellpath Solutions LLC or representative.
3. A day is a 24-hour period from 00:00 to 24:00 hours (mid-night to mid-night ). Any partial days will be billed as a full 24 hour day.
4. Any applicable sales and user tax, vat tax, import duty tax, transportation will be added.
5. Wellpath Solutions LLC services are contingent upon the execution of the general terms and conditions agreement and/or mutually agreed upon modifications thereto. These rates and job specific terms and conditions are part of the general terms and conditions.
6. Prices are valid for 30 days and services subject to tool and personnel availability. Availability to be confirmed at execution of contract.
7. Should job start date given at time of contract execution change significantly, an on call standby charge may be imposed to insure tool and personnel availability.
8. Customer is responsible for downhole tool and surface equipment repair or replacement cost when necessitated by other than normal wear and tear. Normal wear and tear shall not include damaging downhole environment, including but not limited to high solids, oil based muds, foam/air/mist applications, chlorides, H<sub>2</sub>S, acid, CO<sub>2</sub>, high temperatures or excessive vibration.
9. Wellpath Solutions LLC or it's representatives will not at any time assume the position of being in care and control of the drilling rig or any of it's controls, duties or crews.
10. All payments terms and invoices are net 30 days on all billed charges.
11. Tools damaged beyond repair or lost in hole will be charged back at ,per Lost in Hole Schedule . All trucking and transportation cost to replace damaged or lost tools will be billed.
12. Charges for third party services and/or tools are subject to a 15% handling fee, unless otherwise agreed upon.
13. Third party trucking of tools, tool joint inspection, motor inspection and recuts will be billed at cost.